

**STANDARD ALLIANCE INSURANCE PLC -
QUARTER 1**

**FINANCIAL STATEMENT FOR THE PERIOD
ENDED 31ST MARCH, 2014**

STANDARD ALLIANCE INSURANCE PLC
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH, 2014
STATEMENT OF FINANCIAL POSITION

		Mar-14	Dec-13
		2014	2013
		=N='000	=N='000
ASSETS	NOTES		
Cash and Cash Equivalents	3	460,468	230,396
Financial Assets	4	2,873,869	3,017,908
Trade Receivables	5	12,635	7,673
Reinsurance Assets	6	445,006	241,093
Deferred Acquisition Costs	7	420,840	420,840
Other Receivables and Prepayments	8	144,979	98,513
Non-Current Assets Held for Sale	9	1,435,000	1,435,000
Investments in Associates	10	834,044	1,081,612
Intangible Assets	11	10,974	11,544
Property, Plant and Equipment	12	1,893,596	1,909,303
Statutory Deposits	13	335,000	335,000
TOTAL ASSETS		8,866,409	8,788,881
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Insurance Contract Liabilities	14	2,340,133	2,000,759
Trade Payables	15	240,592	49,463
Other Payables and Accruals	16	355,205	481,734
Borrowing	17	819,121	857,766
Finance Lease Obligation	18	28,986	49,953
Employee Benefit Liabilities	19	36,098	36,098
Taxation	20	277,599	277,599
Deferred Tax Liabilities	21	501,291	294,035
TOTAL LIABILITIES		4,599,025	4,047,408
SHAREHOLDERS' EQUITY			
ORDINARY SHARE CAPITAL	22	5,996,587	5,996,587
SHARE PREMIUM		15,852,049	15,852,049
TREASURY SHARES	23	(8,737,585)	(8,737,585)
CONTINGENCY RESERVE	25	1,156,122	1,113,426
RETAINED EARNINGS		(11,316,927)	(10,930,515)
OTHER RESERVES	25	1,317,138	1,447,512
TOTAL SHAREHOLDERS' EQUITY		4,267,383	4,741,474
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		8,866,409	8,788,881

STANDARD ALLIANCE INSURANCE PLC
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH MARCH 2014
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Mar-14 2014 =N='000	Dec-13 2013 =N='000
REVENUE			
Gross Premium income	27	1,423,232	3,779,635
Reinsurance premium expenses	28	(182,169)	(683,716)
Net premium income		1,241,064	3,095,919
Commission earned on reinsurance	29	4,419	33,799
Underwriting income		1,245,482	3,129,718
Claims expenses	30	(598,410)	(1,166,515)
Claims expenses recoveries from reinsurers		3,492	95,625
Net Claims expenses		(594,918)	(1,070,890)
Underwriting expenses	31	(403,685)	(1,053,465)
Total underwriting expenses		(998,603)	(2,124,355)
Underwriting results		246,880	1,005,363
Investment income	32	(1,024)	335,212
Net operating income		245,855	1,340,575
Management expenses	33	(313,734)	(1,497,228)
Results of operating activities		(67,878)	(156,653)
Finance charges	34	(14,603)	(137,084)
Impairment charges on other account balances	35	-	(297,351)
Unrealised Fair value gains/(losses)	4.1	(13,665)	41,093
Share of profit/(loss) of associates	10.2	(247,569)	(239,741)
(Loss)/Profit before taxation		(343,715)	(789,736)
Income tax	20	-	(64,879)
Deferred tax	21	-	(26,327)
(Loss)/Profit after taxation		(343,715)	(880,943)
Other comprehensive income			
Can subsequently be reclassified to Profit or loss:			
- Fair value gains on quoted shares (Available for sale)	26	(130,374)	498,635
Fair value gains on defined benefit plan valuation		-	
Total other comprehensive income		(130,374)	498,635
Total comprehensive (loss) income for the year		(474,089)	(382,308)
Earnings per share: Basic/ Diluted (Kobo)		(3.95)	(3.19)

STANDARD ALLIANCE INSURANCE PLC
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH, 2014
Statement of changes in equity

	31 DECEMBER 2013							
<u>2013</u>	Ordinary Share capital =N='000	Share premium =N='000	Revaluation reserve =N='000	Fair value reserve =N='000	Treasury shares =N='000	Contingency Reserve =N='000	Retained earnings =N='000	Total =N='000
At 1 January 2013	5,996,587	15,852,049	703,401	103,009	(8,737,585)	999,663	(9,935,810)	4,981,314
Loss for the year	-	-	-	-	-	-	(880,943)	(880,943)
Appropriation for Contingency reserve for the year	-	-	-	-	-	113,762	(113,762)	-
Fair value gain on quoted shares (Available for sale)	-	-	-	641,102	-	-	-	641,102
Revaluation surplus on building	-	-	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-	-	-
Transfers for the year	-	-	-	-	-	-	-	-
At 31 DECEMBER 2013	5,996,587	15,852,049	703,401	744,111	(8,737,585)	1,113,425	(10,930,515)	4,741,473
	30 MARCH 2014							
<u>2014</u>	Ordinary Share capital =N='000	Share premium =N='000	Revaluation reserve =N='000	Fair value reserve =N='000	Treasury shares =N='000	Contingency Reserve =N='000	Retained earnings =N='000	Total =N='000
At 1 January 2014	5,996,587	15,852,049	703,401	744,111	(8,737,585)	1,113,425	(10,930,515)	4,741,473
Profit for the year	-	-	-	-	-	-	(343,715)	(343,715)
Appropriation for Contingency reserve for the year	-	-	-	-	-	42,697	(42,697)	-
Fair value gain on quoted shares (Available for sale)	-	-	-	(130,374)	-	-	-	(130,374)
Revaluation surplus on building	-	-	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-	-	-
Transfers for the year	-	-	-	-	-	-	-	-
At 30 MARCH 2014	5,996,587	15,852,049	703,401	613,737	(8,737,585)	1,156,122	(11,316,927)	4,267,383

STANDARD ALLIANCE INSURANCE PLC
FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2014
STATEMENT OF CASH FLOW

	Mar-14	Dec-13
	2014	2013
	=N='000	=N='000
CASH-FLOWS FROM OPERATING ACTIVITIES		
Premium received from policy holders	1,418,270	4,414,220
Interest received on investments	(1,024)	134,088
Dividend received	-	700
Rent and sundry income	(1,075)	17,507
Claim paid (net of recoveries)	(255,544)	(939,791)
Fees and commission	4,419	33,799
Cash payments for reinsurance	(182,169)	(683,716)
Brokers commissions and allowances	(159,239)	(1,067,538)
Agents allowances and commissions	(210,819)	14,073
Cash payments to employees, suppliers and others	(214,155)	(1,679,611)
	398,663	243,730
Tax paid: Income tax	-	(57,694)
Value Added Tax (VAT)	-	(6,322)
NET CASH OUTFLOWS FROM OPERATING ACTIVITIES	398,663	179,714
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property plant and Equipment	(86,358)	(282,632)
Purchase of Intangible assets	-	-
Proceeds from sale of Property, Plant and Equipment	-	1,729
NET CASH INFLOWS FROM INVESTING ACTIVITIES	(86,358)	(280,903)
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance charges	(14,603)	(137,084)
Repayment of borrowing - Daewoo securities bond	(97,469)	(104,026)
Lease financing (net)	(28,986)	(87,494)
Payment of preference dividend		(175,000)
NET CASH OUTFLOWS TO FINANCING ACTIVITIES	(141,058)	(503,604)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	171,247	(604,793)
Cash and cash equivalent at 1 January	120,943	725,736
NET CASH AND CASH EQUIVALENTS AT 31 DECEMBER	292,190	120,943
NET CASH AND CASH EQUIVALENTS COMPRISE:		
Current and domiciliary accounts balances	359,488	132,076
Short term deposits - Local banks	100,980	98,319
Bank overdrafts	(168,277)	(109,452)
	292,190	120,943

STANDARD ALLIANCE INSURANCE PLC

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

NOTES TO THE FINANCIAL STATEMENTS

1 THE COMPANY

Please see the description of the Company as presented on page 10 of these financial statements

2 ACCOUNTING POLICIES

The accounting policies adopted by the Company in the preparation of these financial statements and which have been consistently applied over the periods are as fully disclosed

3 CASH AND CASH EQUIVALENTS

	Mar-14 2014 =N='000	Dec-13 2013 =N='000
Cash at hand		626
Current accounts	324,629	44,027
Domiciliary accounts	34,858	87,424
	359,488	132,076
Short term deposits with other Financial Institutions	100,980	98,319
	460,468	230,396
Impairment provision (Note 3.1)	0	-
	460,468	230,396

3.1 Impairment provision

At 1 January	0	504,411
Impairment charged for the year (Note 35)		
Impairment charges written back		(162,848)
Impairment provision now written off		(341,563)
At 30 MARCH 2014	-	-

4 FINANCIAL ASSETS

At fair value through Profit or loss (Note 4.1)	77,759	91,424
Available for sale (Note 4.2)	2,796,110	2,926,483
	2,873,869	3,017,908

4.1 Financial assets at fair value through Profit or loss

Quoted securities

Cost	334,433	334,433
Fair value changes	(256,674)	(243,009)
Market value	77,759	91,424

The fair value changes are further analysed thus:

At 1 January	(243,009)	(284,102)
Fair value gains/(losses) during the year	(13,665)	41,093
At 30 MARCH 2014	(256,674)	(243,009)

STANDARD ALLIANCE INSURANCE PLC

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

NOTES TO THE FINANCIAL STATEMENTS

	Mar-14	Dec-13
4.2 Available for sale financial assets	2014	2013
	=N='000	=N='000
Standard Alliance Properties Limited (Note 4.3.1)	1,800,412	1,800,412
Quoted shares in Transcorp Plc (Note 4.3.2)	832,850	963,224
Oil and Energy Pool (Note 4.3.3)	-	0
5% 5year Redeemable Preference Shares in Lagoon Homes Saving and Loans Ltd (Note 4.2.4)	162,848	162,848
	2,796,110	2,926,483
4.3.1 Loan to Associate		
At 1 January	1,800,412	1,714,678
Interest income for the year	-	85,734
Acquisition of buildings for resale	-	-
At 30 MARCH 2014	1,800,412	1,800,412
Amount represents investment by the Company in Standard Alliance Properties Limited under a joint venture arrangement for property business. The terms of the arrangement include annual interest income and share of profit.		
4.3.2 Investment in quoted shares		
Cost		
At 1 January	147,235	95,158
Addition during the year		52,077
At 30 MARCH 2014	147,235	147,235
Fair Value Gain	685,615	815,989
Market Value	832,850	963,224
4.3.3 Oil and Energy Pool		
Gross investment	6,618	6,618
Impairment allowance	-	-
Impairment allowance now written off	(6,618)	(6,618)
	-	-
At 1 January	6,618	6,618
Impairment allowance for the year (Note 35)	-	-
Impairment allowance now written off	(6,618)	(6,618)
At 30 MARCH 2014		

STANDARD ALLIANCE INSURANCE PLC

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH, 2014

NOTES TO THE FINANCIAL STATEMENTS

	Mar-14 2014 =N='000	Dec-13 2013 =N='000
4.3.4 5% 5year Redeemable Preference Shares in Lagoon Homes Savings and Loans Ltd	162,848	162,848
During the year, the Company converted its term deposits with Lagoon Homes Savings and Loans Limited to preference shares holding in the bank		
5 TRADE RECEIVABLES		
Premium receivable (Note 37)		
Dues from brokers	12,635	7,673
Impairment allowance	-	
	12,635	7,673
Age Analysis of Premium receivables		
0 - 90 Days	12,635	7,673
91 - 180 Days		
Over 180 Days		
	12,635	7,673
6 REINSURANCE ASSETS		
Claims recoverable	381,176	177,263
Deferred reinsurance cost	63,830	63,830
	445,006	241,093
All of the above amounts are of current tenor.		
7 DEFERRED ACQUISITION COSTS		
Motor	111,478	111,478
Aviation	9,372	9,372
Engineering	40,554	40,554
Fire	44,716	44,716
General Accident	81,943	81,943
Marine	57,818	57,818
Bond	12,232	12,232
Oil & Gas	62,727	62,727
	420,840	420,840
The movement in deferred acquisition cost are:		
At 1 January	420,840	140,728
Additions during the year		420,840
Amortization for the year		(140,728)
At 30 MARCH	420,840	420,840

STANDARD ALLIANCE INSURANCE PLC

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

NOTES TO THE FINANCIAL STATEMENTS

	2014 =N='000	2013 =N='000
8 OTHER RECEIVABLES AND PREPAYMENTS		
Prepayments	14,792	81,816
Loans and Receivables (Note 8.1)		
Staff debtors	20,774	13,877
Sundry	109,413	7,987
	144,979	103,681
All of the above amounts are of current tenor.		
8.1 Loans and Receivables		
Current account with related companies		-
Others	-	
Write off during the year		
Impairment allowance	-	-
	-	-
9 NON CURRENT ASSETS HELD FOR SALE		
At 1 January	1,435,000	1,435,000
Additions during the year	-	0
At 30 April	1,435,000	1,435,000
These comprise the following properties:		
1. 250 Hecters of farmland at Mydumbi Village, Kaduna - Zaria Road	40,000	40,000
2. Twin Duplex, Plot 58B, Block AA in Parkview Estate, Ikoyi - Lagos	350,000	350,000
3. 11 units of '4-Bedroom terrace houses at New County Estate at Lekki	1,045,000	1,045,000
	1,435,000	1,435,000

The valuation of the landed properties in Parkview Estate, Ikoyi - Lagos and the 11 units of '4-Bedroom terrace houses New County Estate at Lekki as at 31 DECEMBER 2012 which put their fair values at =N=350million and =N=1.045 billion respectively was done by Osaro Eguasa & Co (FRC/2013/0000000000423), an industry specialist in valuing these type

All the properties are intended for sale by the Company in the short - term.

STANDARD ALLIANCE INSURANCE PLC
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

NOTES TO THE FINANCIAL STATEMENTS

10 INVESTMENTS IN ASSOCIATES

	Mar-14 2014 =N='000	Dec-13 2013 =N='000
The Company has equity investments in the following entities: Standard Alliance Life Assurance Limited (47.47%), Standard Alliance Properties Limited (36.67%), Standard Alliance Capital and Assets Limited (40%) and Standard Alliance Pension Limited (40%), The movement on the equity Investment accounting during the year are as follows:		
SA Life Ltd.		
Cost	1,905,000	1,905,000
Share of post acquisition reserves (Note 10.1)	(1,108,924)	(860,973)
Carrying amount at 30 MARCH	796,076	1,044,027
SA Properties Ltd.		
Cost	275,000	275,000
Share of post acquisition reserves (Note 10.1)	(244,234)	(244,505)
Carrying amount at 30 MARCH	30,766	30,495
SA Capital and Assets Ltd.		
Cost	400,000	400,000
Share of post acquisition reserves (Note 10.1)	(392,797)	(392,909)
Carrying amount at 30 MARCH	7,203	7,090
Total Carrying amount at 30 MARCH	834,044	1,081,612
10.1 Share of post acquisition profits or losses		
Standard Alliance Life Assurance Ltd		
At 1 January	(860,973)	(658,608)
Share of current year Profit(Loss) (Note 10.2)	(247,951)	(202,365)
At 30 MARCH	(1,108,924)	(860,973)
SA Properties Ltd.		
At 1 January	(244,505)	(246,529)
Share of current year profit/ (Loss) (Note 10.2)	271	2,024
At 30 MARCH	(244,234)	(244,505)
SA Capital and Assets Ltd.		
At 1 January	(392,909)	(353,509)
Share of current year loss (Note 10.2)	112	(39,400)
At 30 MARCH	(392,797)	(392,909)

STANDARD ALLIANCE INSURANCE PLC
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

NOTES TO THE FINANCIAL STATEMENTS

		Mar-14	Dec-13
		2014	2013
		=N='000	=N='000
10.2 Summarised financial statements of associates:			
Standard Alliance Life Assurance Ltd	47.47%		
Property, plant and equipments		105,049	147,032
Investment properties		1,807,762	1,807,762
Other assets		4,465,823	4,949,362
Liabilities		(3,258,222)	(4,796,327)
Net Assets		3,120,412	2,107,829
Revenue		395,560	3,406,742
Profit/(Loss) before taxation		(522,333)	(406,915)
Profit/(Loss) after taxation		(522,333)	(426,300)
47.47% thereof (Note 10.1)		(247,951)	(202,365)
SA Properties Ltd.	40%		
Property, plant and equipments		11,123	11,123
Non-current assets held for sale		2,382,518	2,362,518
Other assets		95,000	95,000
Liabilities		469,257	469,257
Long term Intercompany loan		(313,999)	(293,999)
Long term deposit		(1,800,411)	(1,800,411)
Net Assets		843,488	843,488
Revenue		136,973	565,000
Profit/(Loss) before taxation		507	10,966
Profit/(Loss) after taxation		676	5,059
Adjustment for unrealised profit			-
Adjusted profit/(loss) after taxation		676	5,059
40% thereof		271	2,024
SA Capital and Assets Ltd.	40%		
Property, plant and equipments		168,443	163,326
Other assets		292,633	33,306
Long term Investments		125,746	191,834
liabilities		(202,459)	(117,367)
Net Assets		384,363	271,099
Revenue		768	18,427
Profit/(Loss) before taxation		335	(98,501)
Profit/(Loss) after taxation		280	(98,501)
40% thereof (Note 10.1)		112	(39,400)
Total share of profit/(loss) for the year		(247,569)	(239,741)

STANDARD ALLIANCE INSURANCE PLC

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

NOTES TO THE FINANCIAL STATEMENTS

	Mar-14 2014 =N='000	Dec-13 2013 =N='000
11 INTANGIBLE ASSET		
COMPUTER SOFTWARE		
COST		
At 1 January	36,605	36,605
Additions	-	
At 30 MARCH	36,605	36,605
AMORTISATION		
At 1 January	25,062	16,754
Amortisation for the year	569	8,308
At 30 MARCH	25,631	25,062
CARRYING AMOUNT		
At 30 MARCH	10,974	11,544

The intangible asset above relate to the Company's accounting software packages (Turnquest) bought from Turnkey Africa, a Company registered in Nairobi, Kenya.

STANDARD ALLIANCE INSURANCE PLC
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014
NOTES TO THE FINANCIAL STATEMENTS
12 PROPERTY, PLANT AND EQUIPMENT

							Mar-14 2014	Dec-13 2013
	Land	Building	Motor vehicles	Furniture and fittings	Computer and other equipments	Work in Progress	Total	Total
COST	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
At 1/1/2013	285,000	1,431,857	450,958	122,705	246,702	76,226	2,613,448	2,354,424
Additions	-	76,226	-	1,650	8,482	-	86,358	282,632
Revaluation surplus (Note 25)	-	-	-	-	-	-	0	-
Reclassification	-	-	-	-	-	-	(76,226)	-
Disposals	-	-	-	-	-	-	-	(23,608)
At 31/3/2014	<u>285,000</u>	<u>1,508,883</u>	<u>450,958</u>	<u>124,355</u>	<u>255,184</u>	<u>-</u>	<u>2,624,380</u>	<u>2,613,448</u>
DEPRECIATION								
At 1/1/2013	-	88,730	360,850	68,141	186,424	-	704,145	603,690
Charge for the year	-	2,581	6,286	844	2,298	-	12,010	122,051
Disposals	-	-	-	-	-	-	-	21,596
At 31/3/2014	<u>-</u>	<u>91,311</u>	<u>381,764</u>	<u>69,855</u>	<u>187,854</u>	<u>-</u>	<u>730,784</u>	<u>704,145</u>
CARRYING AMOUNT								
31-Mar-14	<u>285,000</u>	<u>1,417,572</u>	<u>69,194</u>	<u>54,500</u>	<u>67,331</u>	<u>-</u>	<u>1,893,596</u>	<u>1,909,303</u>
31 December 2013	<u>285,000</u>	<u>1,343,127</u>	<u>90,108</u>	<u>54,564</u>	<u>60,277</u>	<u>76,226</u>		<u>1,909,303</u>
31 December 2012	<u>285,000</u>	<u>1,301,773</u>	<u>62,601</u>	<u>62,523</u>	<u>39,376</u>	<u>-</u>	<u>1,750,734</u>	

STANDARD ALLIANCE INSURANCE PLC
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014
NOTES TO THE FINANCIAL STATEMENTS

	Mar-14 2014 =N='000	Dec-13 2013 =N='000
13 STATUTORY DEPOSIT	335,000	335,000
14 INSURANCE CONTRACT LIABILITIES		
Unearned Premium reserve (Note 14.1)	922,803	922,803
Outstanding claims (Note 14.2)	1,417,330	1,077,956
	2,340,133	2,000,759
The insurance contract liabilities balances above are covered by the Company's dedicated assets as thus:		
Cash and cash equivalent (Note 3)	460,468	225,396
Financial assets (Note 4)	832,850	963,224
Non-current assets held for sale (Note 9)	1,046,815	812,139
	2,340,133	2,000,759
14.1 Unearned Premium Reserve		
Aviation	14,578	14,578
Bond	19,134	19,134
Engineering	48,768	48,768
Fire	109,910	109,910
General Accident	151,043	151,043
Marine	115,472	115,472
Motor	317,586	317,586
Oil & Gas	146,312	146,312
	922,803	922,803
14.2 Outstanding Claims		
Outstanding Claims provision (Note 14.2.1)	1,094,670	772,010
Claims incurred but not reported (IBNR) (Note 14.2.2)	322,660	305,946
	1,417,330	1,077,956
14.2.1 Outstanding Claims provision		
At 1 January	772,010	939,805
Reported claims in the current year	581,696	867,621
Claims paid during the year	(259,036)	(1,035,416)
At 30 MARCH	1,094,670	772,010

STANDARD ALLIANCE INSURANCE PLC

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

NOTES TO THE FINANCIAL STATEMENTS

	Mar-14	Dec-13
	2014	2013
	=N='000	=N='000
14.2.2 Claims incurred but not reported (IBNR)		
At 1 January	305,946	7,052
Movement charged to claims expenses	16,714	298,894
At 30 MARCH	322,660	305,946
The breakdown of the outstanding claims per class of general business is:		
Aviation	44,028	40,344
Bond	34,749	8,099
Engineering	61,385	63,578
Fire	199,966	208,151
General Accident	127,558	70,131
Marine	99,211	37,192
Motor	101,774	57,451
Oil & Gas	425,998	287,063
	1,094,670	772,010
15 TRADE PAYABLES		
Due to Reinsurers	240,592	49,463
The trade payables are wholly of current maturities.		
16 OTHER PAYABLES AND ACCRUALS		
Due to Government Agencies	26,330	25,007
Lease rent received in advance (Note 16.1)	22,011	22,011
Other credit balances	131,864	259,717
Preference dividend payable (Note 16.2)	175,000	175,000
	355,205	481,734
The above amounts are further analysed as:		
Current	333,194	469,723
Non-Current	22,011	12,011
	355,205	481,734
16.1 Lease rent received in advance		
The Company leased out three floors (ground, 1st and 2nd) of its Head-office building to Standard Alliance Properties Limited at an annual rent of =N=10 million effective July 2011. This is to ensure professional management of the lease agreements with non-related tenants of the floors. Standard Alliance Properties Limited made an advance payment of rent of =N=47million in 2011.		
16.2 Preference dividend payable		
At 1 January	175,000	350,000
Paid during the year		(175,000)
Due for the year	-	175,000
At 30 MARCH	175,000	175,000

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NOTES TO THE FINANCIAL STATEMENTS
17 FINANCIAL LIABILITIES/BORROWINGS

Daewoo Securities Bond (Note 17.1)
Access bank Plc - Term Loan(Note 17.2)
Bank Overdrafts

Mar-14 2014 =N='000	Dec-13 2013 =N='000
650,844	748,314
-	-
168,277	109,452
819,121	857,766

17.1 Daewoo Securities Bond

The company received a capital inflow of JPY 650,000,000 (\$7,397,516) zero coupon bond raised from Daewoo Securities in DECEMBER 2009

The bond was tenored originally for 20 years with the lenders' option to convert the bond to Standard Alliance Insurance Plc's ordinary shares. If the option is not exercised, the Company must pay interest at 4.25% per annum on the gross bond value for the entire term it has been outstanding.

Daewoo Securities requested for the full redemption of the bond in 2011 following which the company went into a negotiation with it for a repayment plan. During the year 2012, the Company concluded the negotiation of the payment plan with the bondowners for the outstanding balance of JPY 515,712,031 under the following terms:

- Non-payment of dividend to shareholders until 2014.
- Outstanding balance and interest to be paid over five years starting from 2013 and as detailed hereunder:

Payment due date	Principal JPY'000	Interest JPY'000	Total JPY'000
14-Dec-13	131,173	44,767	175,940
14-Dec-14	103,234	18,641	121,875
14-Dec-15	107,622	14,253	121,875
14-Dec-16	112,196	9,699	121,895
14-Dec-17	115,552	4,911	120,463
	569,777	92,271	662,048

The maturity profiles of the outstanding sums are:

	Principal JPY'000	Interest JPY'000	Total JPY'000	Mar-14 2014 =N='000	Dec-13 2013 =N='000
At 1 January	500,010	6,052	506,062	748,314	1,072,192
Interest accrued during the year				-	36,006
Foreign exchange differences			-	(1)	(188,083)
Payments during the year	(121,856)		(121,856)	(97,469)	(171,801)
At 30 MARCH	378,154	6,052	384,206	650,844	748,314
Current maturities			2014 JPY'000		=N='000
Interest			6,052	10,883	8,949
Principal			131,173	235,880	243,453
Total current maturities			137,225	246,763	252,402
Balance, non current principal maturity			246,981	444,131	495,912
			384,206	690,894	748,314

Daewoo Securities still has the option up to year 2029 to subscribe to the equity shares of the Company at a strike price of the average six months market price.

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			Mar-14 2014 =N='000	Dec-13 2013 =N='000
18	FINANCE LEASE OBLIGATIONS		28,986	49,953
	The Company obtained lease facilities totalling =N=48,836,000 at 21% rate of interest from Diamond Bank Plc to finance the acquisition of motor vehicles during 2013			
	These motor vehicles are included in the property, plant and equipment of the Company as at 30 April 2014.			
	The rentals due as at 30 April are further analysed as follows:			
	Less than 3 months		12,701	995
	Between 3 and 6 months		16,285	1,160
	Between 6 and 12 months			31,058
				33,213
	Over 12 months		28,986	16,740
				49,953
19	EMPLOYEE BENEFIT LIABILITIES			
	At 1 January		36,098	36,098
	Charge for the year		-	-
	Gain Valuation		-	-
	At 30 MARCH		36,098	36,098
	The above liability represents the Company's provisions for gratuity of its employees based on length of service.			
20	TAXATION PAYABLE	Company Tax =N='000	Educa-tion =N='000	=N='000
	Per Statement of Comprehensive Income			
	Provision for the year	-	-	64,879
	Charged for the year	-	-	64,879
	Per Statement of Financial Position			
	At 1 January	259,373	18,226	270,414
	Payment during the year	-	-	(57,694)
	Tax expense for the year	0	0	64,879
	At 31 DECEMBER	259,373	18,226	277,599

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FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

NOTES TO THE FINANCIAL STATEMENTS

	Mar-14 2014 =N='000	Dec-13 2013 =N='000
21 DEFERRED TAX LIABILITIES		
At 1 January	501,291	287,590
Charge for the year (Note 21.1)	-	213,701
At 30 MARCH	501,291	501,291
21.1 Charge for the year		
The net amount on the deferred tax account account is as follows:		
At 1 January	501,291	213,701
Profit or loss charge on timing difference of carrying amounts of taxable assets	-	
At 30 MARCH	501,291	213,701
22 SHARE CAPITAL		
Authorised (Note 22.1)		
14,000,000,000 units of ordinary shares of 50k each	7,000,000	7,000,000
17,500,000 units of floating rate irredeemable convertible preference shares of N100 for 2011 and 2010.	-	
	7,000,000	7,000,000
22.1 Authorised Share Capital		
The Company at its 15th Annual General Meeting held on Friday, 16th DECEMBER 2011 approved the increase in its authorised share capital from N6.0 billion to N7.0 billion by the creation of additional 2,000,000,000 units of ordinary shares of 50k each, such shares ranking pari passu in all respects with existing ordinary shares of the Company.		
The newly created shares have been duly registered with the Corporate Affairs Commission and the requisite stamp duties paid subsequently in 2012.		
22.2 Issued and Fully Paid Share Capital:		
Ordinary shares	5,996,587	5,996,587
- 11,993,173,000 units of ordinary shares for 2012.		
- 8,493,173,450 units of ordinary shares for 2011 and 2010.		
Preference shares	-	-
- Nil for 2012 (Note 16.1)		
- 17,500,000 units of N100 each 2011 and 2010		
	5,996,587	5,996,587

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	Mar-14 2014 =N='000	Dec-13 2013 =N='000
23 TREASURY SHARES	8,737,585	8,737,585
These represent the offer price of 2,212,046,824 units of ordinary share of 50 kobo each (=N=1,106,024,412 and associated total share premium of =N=7,631,561,991) for which no net cash inflow accrued to the company during its public offer of 2008.		
The Company at its 15th Annual General Meeting held 16th DECEMBER 2011 approved the cancellation of these shares and to this effect a court order was also obtained on 26th of April 2012. The cancellation of these shares is awaiting the final approval of the Securities and Exchange Commission (SEC)		
24 CONTINGENCY RESERVE		
Contingency reserve is provided for at the rate of 3% of the total premium or 20% of net profit (whichever is greater for the year) in accordance with section 22 (1)(b) of the Insurance Act 2003.		
At 1 January	1,110,557	999,663
Charge for the year	42,697	110,894
At 30 MARCH	1,153,254	1,110,557
25 ACCUMULATED LOSS		
At 1 January	(10,930,515)	(9,935,810)
(Loss)/Profit for the year	(343,715)	(880,943)
Appropriation to contingency reserve	(42,697)	(113,762)
Dividend to Preference shareholders		
At 30 MARCH	(11,316,927)	(10,930,515)
26 OTHER RESERVES		
Revaluation Reserve (Note 25.1)	703,401	703,401
Fair Value Reserve (Note 25.2)	613,736	601,643
	1,317,137	1,213,929
26.1 Revaluation Reserve		
At 1 January	703,401	703,401
Addition during the year(Note 12)	-	
At 30 MARCH	703,401	703,401
The Company's office building at Ibadan and Head Office in Lagos were revalued at =N=20 million in 2006 and =N= in 2012 respectively by the firm of Messrs Osaro Eguasa & Co (FRC/2012/0000000000423).		
The revaluations resulted to surpluses of =N=14,299,000 and =N=767,258,000 respectively.		
26.2 Fair Value Reserves		
Fair value reserves include the net accumulated changes in the fair value of available for sale assets		
Further details are:		
At 1 January	744,110	103,008
Addition during the year	(130,374)	641,102
At 30 MARCH	613,736	744,110

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NOTES TO THE FINANCIAL STATEMENTS

27	GROSS PREMIUM INCOME	Aviation	Bonds	Engineering	Fire	General Accident	Marine	Motor Accident	Oil & Gas	Mar-14 2014	Dec-13 2013	
		=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	
	Premium written	-	26,318	99,172	83,431	247,655	147,925	387,002	-	991,503	3,792,076	
	Inward reinsurance premium	5,656	-	-	267	-	-	-	425,807	431,730	(95,625)	
	Movements in unexpired risks (Note 26.1)	5,656	26,318	99,172	83,697	247,655	147,925	387,002	425,807	1,423,232	3,696,451	
		-	-	-	-	-	-	-	-	-	(43,882)	
	Gross premium 2014	5,656	26,318	99,172	83,697	247,655	147,925	387,002	425,807	1,423,232	3,748,194	
28	REINSURANCE PREMIUM EXPENSES Expense	2014	8,648	-	9,062	53,644	9,548	28,862	1,244	71,161	182,169	683,716

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NOTES TO THE FINANCIAL STATEMENTS

	Mar-14 =N='000	Dec-13 =N='000
29 COMMISSION EARNED ON REINSURANCE		
Aviation	20	1,143
Bond	0	84
Engineering	0	887
Fire	174	4,292
General Accident	54	7,915
Marine	289	4,235
Motor	3,882	4,279
Oil & Gas	0	10,964
	4,419	33,799
30 CLAIMS EXPENSES		
Claim paid	259,036	1,035,417
Increase in outstanding Claims (Note 14.2.1)	322,660	(167,795)
Increase in Claims Incurred but not reported (Note 14.2.2)	16,714	298,894
Gross claims incurred	598,410	1,166,516
31 UNDERWRITING EXPENSES		
Commission paid:		
Aviation	523	26,446
Bond	5,081	30,374
Engineering	18,211	78,385
Fire	16,119	109,128
General Accident	44,145	193,739
Marine	27,101	185,672
Motor	47,495	256,332
Oil & Gas	564	87,451
Commission paid - others		100,012
	159,239	1,067,538
Business Promotion	475	
Business development/Marketing expenses	243,971	(14,073)
Deferred commission	-	
	403,685	1,053,465
32 INVESTMENT INCOME		
Interest on deposits	51	134,088
Lease rental income	0	10,000
Dividend received	0	700
	51	144,788
Foreign Exchange difference		182,918
Others	(1,075)	7,507
	(1,024)	335,212
33 MANAGEMENT EXPENSES		
Salaries and allowances	80,993	513,011
Other staff costs	31,327	54,151
Director fees and allowances	5,238	41,983
Insurance expenses	3,563	12,938
Rent and rates	7,188	25,330
Repairs and maintenance	39,179	175,000
Depreciation and amortisation	12,579	129,746
Professional fees	38,979	82,827
Bank charges	1,112	42,150
Printing and stationery	8,726	12,413
Advertisement	2,829	20,702
Books and periodicals	192	1,112
Telephone and postages	7,937	34,931
Other administrative expenses	34,166	71,503
Supervisory levies	0	72,522
Staff training and development	940	28,447
Audit fee	0	9,000
Corporate expenses	5,580	66,842
Travelling, outstation and hotel expenses	27,173	95,419
Annual General Meeting expenses	6,031	7,203
	313,734	1,497,228

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NOTES TO THE FINANCIAL STATEMENTS

STANDARD ALLIANCE INSURANCE PLC

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL CHARGES

	Mar-14	Dec-13
	=N='000	=N='000
Bank interests	20	27,830
Lease charges	187	25,197
Interest on Daewoo bond	14,396	84,057
	14,603	137,084

35 IMPAIRMENT CHARGES

Impairment charges are:		
Cash and cash equivalent (Note 3.1)	-	5,279
Current account balances (Note 8.1.1)	-	454,920
Write back of impaired deposit (Note 3.1)		(162,848)
	-	297,351

36 INFORMATION TECHNOLOGY DEVELOPMENT LEVY

At 1 January	3,191	3,191
Appropriation for the year	-	
At 30 MARCH	3,191	3,191

The Nigerian Information Technology Development Agency (NITDA) Act was signed into law on 24 April, 2007. Section 12(a) of the Act stipulates that specified companies contribute 1% of their profit before tax to the Nigerian Informaion Technology Development Agency.

37 PROFIT BEFORE TAXATION

Profit before taxation is stated after charging/(crediting):

Depreciation	12,010	122,051
Amortization	569	8,308
Auditors' remuneration	-	9,000
Director's remuneration	5,238	41,983

38 PREMIUM RECEIPTS FROM POLICY HOLDERS

Premium due from policyholders at 1 January	7,673	642,257
Gross Premium written in the year	1,423,232	3,779,635
	1,430,905	4,421,892
Less: Premium debts written off	-	
Premium due from policyholders at 30 April	(12,635)	(7,673)
Premium receipts in the year	1,418,270	4,414,219

STANDARD ALLIANCE INSURANCE PLC
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NOTES TO THE FINANCIAL STATEMENTS
39 BUSINESS SEGMENT INFORMATION

The Company currently identifies product lines as its operating segments. These operating segments are monitored by the company's Managing Director who makes strategic decisions on the basis of segment operational needs and results.

The Company operates principally in non life general insurance business. Its major products are aviation, engineering, fire, general accident, marine, motor, bond and oil and gas policies.

The results of the segments' operations for the year which includes items directly attributable to each segment as well as those items that can be allocated on a reasonable basis are highlighted below:

	Aviation =N='000	Engineering =N='000	Fire =N='000	General Accident =N='000	Marine =N='000	Motor =N='000	Bond =N='000	Oil & Gas =N='000	Mar-14 2014 =N='000	Dec-13 2013 =N='000
Premium Income										
Premium written	5,656	99,172	83,697	247,655	147,925	387,002	26,318	425,807	1,423,232	3,792,076
(Increase)/Decrease in Unearned premium	-	-	-	-	-	-	-	-	-	(12,442)
Gross Premium written in the year	5,656	99,172	83,697	247,655	147,925	387,002	26,318	425,807	1,423,232	3,779,634
Reinsurance premium expenses	(8,648)	(9,062)	(53,644)	(9,548)	(28,862)	(1,244)	-	(71,161)	(182,169)	(683,716)
Net premium written	(2,992)	90,110	30,053	238,107	119,063	385,759	26,318	354,646	1,241,064	3,095,918
Commission received on reinsurance	20	-	174	54	289	3,882	-	-	4,419	33,799
Underwriting income	(2,992)	90,130	30,227	238,161	118,694	385,767	26,318	354,646	1,245,483	3,129,717
Less Expenses										
Claims										
Claim paid	15,000	10,435	16,876	(8,338)	1,358	92,255	-	131,450	259,036	1,035,417
(Decrease)/Increase in provision for outstanding claims	3,683	(2,193)	(1,464)	57,380	61,276	38,393	26,650	138,935	322,660	(167,795)
Claims incurred but not reported (IBNR)									16,714	298,894
	18,683	8,243	15,412	49,042	62,634	130,648	26,650	270,385	598,410	1,166,516
Claims expenses recoveries from reinsurers					-	(3,492)			(3,492)	(95,625)
Net Claims expenses	18,683	8,243	15,412	49,042	62,634	127,156	26,650	270,385	594,918	1,070,891
Underwriting expenses										
Commission paid less deferred cost	523	18,211	16,119	44,145	27,101	47,495	5,081	564	159,239	953,453
Other business acquisition cost	971	17,033	14,375	42,536	25,407	66,469	4,520	73,134	244,446	100,012
Total underwriting expenses	1,494	35,244	30,495	86,680	52,508	113,964	9,601	73,698	403,685	1,053,465
Total Expenses	20,177	43,487	45,906	135,722	115,141	241,120	36,251	344,083	998,603	2,124,356
Underwriting profit 2014	(23,169)	46,643	(15,679)	102,439	3,553	144,647	(9,933)	10,563	246,880	1,117,647
- 2013	-	305,784	129,887	332,061	527,465	591,134	-	-	2,701,057	